



Economics of Invasive Species “A Stakeholders Perspective”

Thomas C. O'Connor

National Grain and Feed Association



Discussion Topics

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- ◆ International Plant Protection Convention and relationship to WTO's SPS Agreement
- ◆ Views on the economics of invasive species
 - “Bioeconomic” risk assessment
 - Link between trade expansion and invasive species
 - Economics of policies to exclude, monitor and control plant pests and animal diseases



Introductory Remarks

◆ Who are we?

- The NGFA consists of 1,000 grain, feed, processing and grain-related companies that operate about 5,000 facilities that store, handle, merchandise, mill, process and export more than two-thirds of all U.S. grains and oilseeds. Also affiliated with the NGFA are 36 state and regional grain and feed associations.
- The NGFA and NAEGA have recently formed an operating alliance to better streamline staff resources and better serve the industry. NAEGA members include 35 private and publicly owned companies and cooperatives whose purpose is to promote and sustain the development of commercial export grain and oilseed trade from the United States.

◆ What are our goals: We are focused on the growth and economic performance of U.S. agriculture, including growing exports of U.S. grain and oilseeds. *The following comments are consistent with our long-held views on managing threats from invasive species.*



Introductory Remarks

- ◆ What is an invasive species?: According to APHIS an invasive species is:
 - “an alien species whose introduction does, or is likely to, cause economic or environmental harm or harm to human health.”
 - Impair biological diversity by causing population declines, species extinction, shifts in predator-prey dynamic, shifts in species niches, changes in habitat and reduction in ecosystem complexity.
- ◆ APHIS reports that most invasive species arrive in the U.S. through human activities and may be released either intentionally or unintentionally through international movement of people, commodities or their conveyances.
- ◆ E.O. 13112 requires federal agencies to coordinate activities to prevent pests and diseases that threaten biological resources from becoming established in the U.S.
 - National Invasive Species Management Plan published in 2001 established 57 specific action items to improve coordination, prevention, control and management of invasive species.



International Plant Protection Convention (IPPC)

- ◆ Prevent the spread and introduction of pests of plants and plant products and to promote appropriate measures for their control.
 - A pest means any species, strain, or biotype of plant, animal or pathogenic agent injurious to plants or plant products.
 - A “quarantine pest” means a pest of potential national economic importance that is not present or present but not widely distributed and being actively controlled.
- ◆ IPPC provides for national plant protection organizations (e.g., USDA’s APHIS), phytosanitary certificates, import requirements, international cooperation, regional plant protection organizations (e.g., NAPPO) and dispute settlement process.



IPPC – Relationship to WTO

- ◆ World Trade Organization's (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement)
 - Applies to all sanitary and phytosanitary measures which may, directly or indirectly, affect international trade.
 - Measures should be based on scientific principles; focus on protection of human, animal or plant life or health; be no more trade restrictive than necessary; and not be unjustifiably discriminatory.
 - Require the use of scientific risk analysis techniques developed by relevant international organizations.
 - Under the SPS Agreement, the IPPC is the recognized international body for standards, guidelines and recommendations for plant health.
- ◆ The NGFA and NAEGA believe the U.S. approach on invasive species should adhere closely to the principles embodied in the IPPC/WTO agreements.



Economics of Invasive Species

- ◆ Bioeconomic risk assessment: The NGFA and NAEGA support APHIS efforts to protect U.S. agriculture from invasive pests that may threaten its productivity, quality or ecological integrity.
 - Rely on risk assessment procedures that are consistent with the IPPC and WTO.
 - Risk assessment procedures should allow APHIS to scientifically evaluate the potential for a certain species to pose a significant threat to U.S. agriculture and develop effective strategies to exclude such pests from the U.S.
 - Efforts should be made to educate less developed countries on the benefits of a science-based risk assessment system.
 - While the APHIS definition of an invasive species references alien species that may cause economic harm, we urge caution in development of “bioeconomic risk assessment” procedures so as not to inadvertently lend support to those that would like the right to exclude imports of certain crops based on economic factors, i.e., a disguised trade barrier.



Economics of Invasive Species

- ◆ Links between trade expansion and invasive species:
We do not see these two concepts to be mutually exclusive provided measures are science-based, transparent, equivalent and no more trade restrictive than necessary.
 - An effective invasive species program can act to preserve and enhance international trade if it protects from introduction of damaging pests/diseases and increases confidence that imports do not pose an adverse risk.
 - However, some groups/countries might use “concerns” over invasive species as disguised trade barrier. E.g., the UN’s Cartagena Protocol on Biosafety:
 - Focused on “Living Modified Organisms” that may have an adverse effect on the conservation and sustainable use of biodiversity, contains precautionary principle and allows consideration of socio-economic factors. Implement in 2003.
 - U.S. not a party. Growing concern that may prove disruptive to commodity exports. IGTC.



Economics of Invasive Species

- ◆ Policies to exclude, monitor and control plant pests and animal diseases: The NGFA and NAEGA support strong science-based policies to exclude as well as monitor and control plant pests and diseases that pose a significant threat to U.S. agriculture.
 - While policies to exclude are important, sometimes proximity or normal commercial trade result in the establishment of an invasive species.
 - E.g , Karnal bunt, fungal disease of wheat, recently was detected in Southwest after establishing itself in Mexico. APHIS implemented quarantine restrictions on wheat from certain areas to prevent spread and protect export markets. NGFA and NAEGA support these efforts as well as compensation for handlers adversely affected by these control measures. Costly to control and trade difficulties persist.
 - KB does not normally have a significant impact on wheat quality and is perhaps a good example of a situation where a science-based risk assessment might have prevented the pest from being considered a pest of quarantine significance.



Economics of Invasive Species

- ◆ In conclusion, we support APHIS efforts to protect and control invasive species that present a potential for significant harm to U.S. agriculture. We believe that such efforts should be grounded in science and consistent with U.S. obligations under the WTO/IPPC.
- ◆ Questions?